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INFO RUEHGV/USMISSION GENEVA 1550
RUCNASE/ASEAN MEMBER COLLECTIVE

UNCLAS KUALA LUMPUR 000149

SIPDIS

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STATE PASS USTR FOR BARBARA WEISEL AND DOUGLAS BELL
GENEVA FOR USTR

E.O. 12958: N/A

TAGS: [ETRD](#) [EINV](#) [EIND](#) [MY](#)

SUBJECT: PROPOSED ASEAN PARTICIPATION IN MULTI-CHIP INTEGRATED
CIRCUITS (MCP) AGREEMENT

REF: BELL-MATTHEWS 2/29/08 EMAIL MESSAGE

¶1. Econ Counselor and econoff discussed ref message on March 4 with
¶P. Ravidran, Senior Director, Office of ASEAN Economic Cooperation,
Ministry of International Trade and Industry (MITI). We delivered a
copy of a letter from Assistant USTR Barbara Weisel to Ravidran
regarding the March 14 meeting of the U.S.-ASEAN senior economic
dialogue in Siem Riep, during which the ASEAN-U.S. TIFA workplan
will be discussed. We noted in particular the U.S. proposal to
discuss the participation of ASEAN countries in the multilateral
Multi-Chip Integrated Circuits (MCP) Agreement.

¶2. Ravidran told us that Malaysia was interested in the proposal,
and that relevant industry had expressed no objections provided the
agreement covered MCPs classified under customs HS heading 8542 only
(and not the wider range of products that had been erroneously
listed in a document issued by the ASEAN Secretariat). However, the
Malaysian cabinet had not yet determined whether Malaysia should
formally pursue MCP participation. Given the March 8 general
elections and the subsequent time necessary to install a new
cabinet, Malaysia would only be able to provide an informal approval
of the proposal at the March 14 U.S.-ASEAN meeting in Siem Riep.

¶3. Regarding further potential topics for the March 14 meeting,
Ravidran noted that Malaysia wanted to discuss ways in which the
TIFA Business Roundtable could be energized. He said Malaysia would
also seek further progress on implementing the ASEAN single window
for customs clearance, and noted that Malaysia is on track to
implement its domestic single window for customs clearance by May.
Malaysia is also interested in ways in which the U.S. and ASEAN
could cooperate to assist ASEAN SMEs, which he said are feeling the
squeeze from increased competition from China. Finally, he
suggested that ASEAN members would benefit from capacity building
from the United States on harmonization of rules of origin, which he
said are particularly divergent among ASEAN members as a growing
number of FTAs are signed and thus pose a significant impediment to
trade.

KEITH